

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Richard Carlson at 5:00 p.m. on May 5, 2009, in Room 535-N of the Capitol.

All members were present except Representative Hawk.

Committee staff present:

Gordon Self, Office of the Revisor of Statutes
Scott Wells, Office of the Revisor of Statutes
Chris Courtwright, Kansas Legislative Research Department
Kathy Beavers, Committee Assistant
Marla Morris, Office Assistant

Conferees appearing before the Committee: None.

Others attending:

See attached list.

The chairman called the meeting to order at 5:00 p.m.

Chairman Carlson presented a gift to both Kathy Beavers, Committee Assistant and Marla Morris, Office Assistant. He thanked them for all their work for the committee during this session.

Chairman Carlson stated that this is an informal meeting and. He stated that **SB 337** would be discussed at the May 6th meeting. The other issue to be discussed is tax credits.

Vice-Chairman King explained that the need for the taxation committee to serve as a solution to the budget by taking a comprehensive look at tax credit policies and statute limitation issues.

Representative King proposed the following:

- A. Community service and film production credits be suspended for two years.
- B. A ten percent across the board tax credit from all tax credits except for the following credits:
 1. Earned income tax
 2. Food sales tax
 3. Child dependent care
 4. Homestead Property Tax Relief
- C. Change all refundable tax credits, except for the earned income tax credit, from refundable to carry forwardable.
- D. Statute of limitations:
 1. Reinststitute the 3 year statute of limitations for claiming income tax refunds.
 2. Reduce the statute of limitations on sales tax refund claims from 3 years to 1 year.

He stated that passage of the three tax credit proposals and the two statute of limitations changes will help

CONTINUATION SHEET

Minutes of the House Taxation Committee at 5:00 p.m. on May 5, 2009, in Room 535-N of the Capitol.

close the gap on the budget.

Chris Courtwright, Kansas Legislative Research Department, discussed how the proposed changes would help the budget. He estimated the proposed changes would result in the following savings:

Suspend the Community service credit	-	\$4 million
Suspend the Film Production Credit	-	\$1 million
Refundable Income tax credits to carry forwardable	-	\$10.8 million
10% above the board tax credit	-	\$7.7 million
Reinstitution of statute of limitations	-	\$3 million
Reduction of statute of limitation on sales tax refund claims	-	\$15 million

Mr. Courtwright stood for questions.

Chairman Carlson stated the meeting tomorrow, Wednesday, May 6, 2009 would be held after the first recess of the house. This will be an informational meeting. Chairman Carlson emphasized to the members that we are not looking for revenue enhancements to flood additional money into the budget. The purpose of the meeting is to look for revenue that will plug gaps in the existing budget in cooperation with and working with the Appropriations Committee.

The meeting was adjourned at 5:25 p.m.